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MINORITY REPORT

In connection with the Report of the Special Committee on Workmen's Compensation submitted by A. J. E. Liesemer, M.L.A.

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M I N O R I T Y R E P O R T

In connection with the Report of the Special Committee on Workmen's Compensation submitted by A. J. E. Liesemer, M.L.A.

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MINORITY REPORT - A. J. E. Liesemer

In connection with the report of the special committee enquiring into The Workmen's Compensation Act and its administration, I respectfully submit the following Minority Report.

It is sometimes argued that no one province can go ahead of other provinces in Workmen's Compensation Legislation, for two reasons: first, it places presently established industry in a disadvantageous position in competition with industry in other provinces; second, it discourages new industry from entering the province, thereby harming the worker himself by not providing an expanding labor market.

These propositions are not true to the extent that is frequently accepted. The first argument is limited in its application to this extent: that much of the established industry is not actually in competition outside the province; and also that many industrial concerns now operate across several or all of the provinces and therefore are also not in competition with industry on a province basis. Moreover, increased workmen's compensation payments merely increase purchasing power among those who need it most and who use it for consumption goods, and consequently in turn benefit industry itself. The second proposition has little validity if any, for the welfare of the worker is determined solely by the prosperity of the whole economy. And Alberta with its cheap coal and natural gas, and its potentially cheap petroleum and hydro-electric power, enjoy such great natural advantage over most of the other provinces in competition for new industry that small differentiation in compensation costs will be relatively negligible.

In any case, to whatever small extent these propositions may be valid, no province suffers in competition with other provinces if its advance over other provinces is <u>not</u> by <u>too great a step</u>. INDEED, NO ADVANCE CAN EVER TAKE PLACE AT ALL ANY PLACE IN CANADA IF EACH PROVINCE REFUSES TO MAKE THE FIRST STEP FORWARD.

It is my contention:

1. That, while the report of the majority of the Special Committee suggests several worthwhile and progressive changes, the changes either fail to benefit a great number or fail to provide any sizeable benefit. In other words the majority report fails to improve those major items of workmen's compensation such as the basic percentage of compensation, the maximum "ceiling", etc.
2. That the improvements suggested in this minority report for these major items do not involve too great a step in advance of other provinces; that, in fact, they merely bring us, generally, up to a neighboring province, and, in particular items, up to several other provinces, so that this step is less difficult for us to take here in Alberta than it would be if this province were actually the first to so advance.
3. That the improvements suggested herewith do not involve any additional cost to industry whatever as the experience of the last two years' surpluses indicate that the present assessments will more than provide for all such improvements. Thus it would appear that there can be no reasonable objection on the part of industry or this House to their implementation. INDEED, IF THE SATISFACTORY FINANCIAL EXPERIENCE OF THE FUND CONTINUES LABOR WILL BE JUSTIFIED IN ANTICIPATING FURTHER BENEFITS IN ENSUING YEARS.

I THEREFORE RECOMMEND AS FOLLOWS:

1. That the present basis of 66 2/3% of earnings for the purposes of computing the amount of compensation be raised to 75%.
2. That the present "wage ceiling" of $2000 be raised to $2500.
3. That compensation be paid from the date of disability when the disability is of more than three days' duration.
4. That the per diem allowance for injured workmen being treated out of hospital and away from home be increased from $2.50 to $3.50.

It is my contention:

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That the improvements suggested in this minority report for these major items do not involve too great a step in advance of other provinces; that, in fact, they merely bring us, generally, up to a neighboring province, and, in particular items, up to several other provinces, so that this step is less difficult for us to take here in Alberta than it would be if this province were actually the first to so advance.

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That the present "wage ceiling" of $2000 be raised to $2500.

That compensation be paid from the date of disability when the disability is of more than three days' duration.

That the per diem allowance for injured workmen being treated out of hospital

5 That the payment be increased from $20 to $25 per month for orphan children, and that such provision be extended to children who, subsequent to the death of the breadwinner, become orphaned or come into the position of orphans.

6 That the Workmen's Compensation Board of Alberta establish, with the co-operation and financial assistance of the Boards of other provinces if possible, a Research Committee to thoroughly investigate the occupational hazard of such diseases as coronary thrombosis, nitric fume poisoning and other pulmonary disorders, and such other disability hazards as may be brought to its attention from time to time as well as such additional hazards as it may deem advisable to study.

And accordingly I dissociate myself from those recommendations of the report of the majority of the Special Committee which are inconsistent with the recommendations contained herewith, and from the findings on which such majority recommendations are based; with the recommendations of the Majority Report which are not inconsistent with those contained herewith I concur.

FURTHER I RECOMMEND that the Government give consideration to providing to the Workmen's Compensation Board from general revenue sufficient funds to enable the Board to pay all pensioners under the Act, who were in receipt of pensions prior to the coming into force of the 1948 Act, the full amount provided under the 1948 Act, and that the Board be authorized therein to use such funds to pay such full amounts.

Herewith is presented a table showing A. estimated annual increased cost of benefits proposed by the majority report and increased cost of benefits proposed by the minority report in relation to B. the surplus revenues from assessments over the last two years

A. TABLE OF COST OF BENEFITS PROPOSED

	Benefit	Additional Cost of Increased Benefits as proposed by Majority Report (if so proposed)	Additional Cost of Increased Benefits as proposed by Minority Report
1	Compensation on basis of 66 2/3% (no increase in majority proposal)	nil	
	Compensation on basis of 75% (proposed in minority report)		$191,025
2	Wage ceiling of $2000 (no increase in majority proposal)	nil	
	Wage ceiling of $2500 (proposed in minority report)		278,595
3	Full compensation if disability lasts more than 6 days on basis of 66 2/3% and $2000 ceiling (majority proposal)	34,070	
	Full compensation if disability lasts more than 3 days on basis of 75% and $2500 ceiling (minority proposal)		63,250
4	Per diem expense allowance of $2.50 (majority proposal)	nil	
	Per diem expense allowance of $3.50 (minority report)		21,500
5	Increase for orphans at discretion of Board (majority proposal)	not determinable	
	Increase for orphans from $20 to $25 per month (minority report)		3,030
	Sub-Total Benefits (1 to 5 inclusive)	$34,070	$557,400

Note: The following benefits are proposed in both majority and minority reports and additional costs are listed in order that total additional costs may be shown

6	Increase for children becoming orphaned or in position of orphans	not determinable	not determinable
7	Increase for children dependent on widows from $12 to $15 per month	$13,500	$13,500
8	Increase in burial expenses $125 to $175	2,700	2,700
9	$100 pre-burial grant to become mandatory	not determined, but negligible as grant, while at present not mandatory, is invariably paid	
10	Widows' pension increased from $40 to $50 per month	104,000	104,000
11	Increase for dependent adults from $35 and $70 per month to $50 and $85 per month	not determined	not determined
12	Payment to widows on remarriage in lieu of one year's pension raised from $480 to $600	not determined	not determined
13	Minimum Compensation from $12.50 to $15.00 per month	17,080	17,080
14	Optional basis of computing Permanent Disability awards	140,000	140,000
	Sub-Total Benefits (6 to 14 inclusive)	$277,280	$277,280
	GRAND TOTAL BENEFITS (1 to 14 inclusive)	$311,350	$834,680

NOTE: Costs not determined or not determinable will be small due to small number of cases involved

B SURPLUS REVENUES FROM ASSESSMENTS AND EARNINGS OVER THE LAST TWO YEARS

1945 surplus revenue of the Board after all awards and reserves were provided	$1,054,919.43
1946 surplus revenue of the Board after all awards and reserves were provided	1,141,867.94
Total surplus over last two years	$2,196,787 37
Average surplus over last two years	$1,098,393 68
Therefore the Majority Report provides, at present rates of earnings and assessments, a probable annual surplus in the future of	1,098,393 68 311,350 00 787,043 68
And therefore the Minority Report provides, at present rates of earnings and assessments, a probable annual surplus in the future of	1,098,393 68 834,680 00 263,713 68

Estimated Cost to the General Revenue of the Province (not assessed against industry through funds of the Workmen's Compensation Board) to pay at the rate of the suggested 1948 Act to pensioners in receipt of pensions prior to coming into force of the 1948 Act.

Widow's Pensions

351 now receiving $35 per month, $15 monthly increase	5265
102 now receiving $40 per month, $10 monthly increase	1020
31 now receiving $20 per month, $30 monthly increase	930
Total Monthly Increase	$7215
Total increase for one year $7215 x 12	$86,580
Permanent Disability Pensions increase for one year	20,340
Total Estimated Cost to General Revenue for one year	$106,920

Note 1. There is to be added to this total an undetermined but small amount for:

a. pensioners added or to be added since this estimate was made in November, 1947, and before the date of the coming into force of the 1948 Act.

b. orphans and dependent children.

2. This total amount, likely not in excess of $125,000 for the year 1948, charged against General Revenue will decrease annually as children reach the age limit, widows remarry, and pensioners of all categories become deceased; it will eventually disappear completely.

(SIGNED) A. J. E. LIESEMER